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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

JAN 29 1999

DOCKETED BY

*[Signature]*

JIM IRVIN  
Commissioner - Chairman  
TONY WEST  
Commissioner  
CARL J. KUNASEK  
Commissioner

IN THE MATTER OF CITIZENS UTILITIES COMPANY, SUN CITY SEWER COMPANY, SUN CITY WATER COMPANY, SUN CITY WEST UTILITIES COMPANY, TUBAC VALLEY WATER COMPANY, CITIZENS WATER RESOURCES COMPANY OF ARIZONA, CITIZENS WATER SERVICES COMPANY OF ARIZONA, CITIZENS UTILITIES RURAL COMPANY, INC., CITIZENS TELECOMMUNICATIONS COMPANY OF THE WHITE MOUNTAINS, INC., AND NAVAJO COMMUNICATIONS CO., INC. - FILING FOR AN ORDER APPROVING THE DEFERRED ACCOUNTING FOR YEAR 2000 COMPLIANCE COSTS	)	DOCKET NOS. E-01032A-98-0726 SW-02276A-98-0726 W-01656A-98-0726 SW-02334A-98-0726 W-01595A-98-0726 W-03454A-98-0726 W-03455A-98-0726 T-01954B-98-0726 T-03214A-98-0726 T-02115B-98-0726
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DECISION NO. 61382

ORDER

Open Meeting  
January 27 and 28, 1999  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On December 18, 1998, Citizens Utilities Company, Sun City Sewer Company, Sun City Water Company, Sun City West Utilities Company, Tubac Valley Water Company, Citizens Water Resources Company Of Arizona, Citizens Water Services Company Of Arizona, Citizens Utilities Rural Company, Inc., Citizens Telecommunications Company of the White Mountains, Inc., and Navajo Communications Co., Inc. ("Citizens and its subsidiaries") filed a joint application for an accounting order which would authorize the deferral of costs directly incurred to resolve the Year 2000 computer problem.

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8. Staff would recommend deferral accounting authorization for accounting purposes and future regulatory consideration for any Citizens' subsidiary subject to regulation by this Commission.

3. The Commission maintains jurisdiction over the subject matter to the extent permitted pursuant to the powers granted the Commission by the Arizona Constitution, State and Commission Rule.

ORDER

THEREFORE, IT IS ORDERED that Citizens Utilities Company and its other subsidiaries subject to regulation by this Commission are hereby authorized to defer for accounting purposes and future regulatory consideration the costs directly incurred to resolve the year 2000 computer problem.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

COMMISSIONER - CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, STUART R. BRACKNEY, Acting Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 29 day of January 1999.

STUART R. BRACKNEY  
Acting Executive Secretary

DISSENT

RTW:SLH:djg/PAB